

The September 16, 2008 "Special" meeting of the Newtown Village Council was called to order at 7:00 p.m. by Mayor Curt Cosby; meeting was held at Miami Valley Christian Academy.

<b>Councilmembers:</b>	Brian Burns	Mark Kobasuk
	Doug Evans	Ken Pulskamp
	Tracy Hueber	Daryl Zornes

**Mayor:** Curt Cosby

**Solicitor:** Doug Miller

**Fiscal Officer:** Keri Everett

**Police Chief:** Tom Synan

**Street Commissioner:** Mike Schmidt (Absent)

**Agenda:** Discussion of Repealing Tax Credit and Budget Solutions

Mayor Cosby welcomed everyone for attending and introduced the council. The purpose of the special meeting is for the residents to have a forum to discuss repealing of tax credit and solutions to the current budget concern. Mayor Cosby said he plans on forming a committee to review options and solutions. Mayor Cosby opened the floor to audience participation.

**Audience Participation**

Resident Tom Van Dorselaer, 7405 Ivy Hills Lane

Mr. Van Dorselaer is opposed to repealing the tax credit and said it is not a good idea to raise taxes in a down economy. Mr. Van Dorselaer feels this is Taxation without Representation and said this should go before the people to vote in our democratic society. After reviewing some handouts on the budget, he said this is not a revenue problem, but a problem of spending and urged council to go line by line to assess where costs could be cut. Mr. Van Dorselaer said the new parking lot was not needed; it was wrong and that money was not spent judiciously. He said the fountain at the new center island was not needed and will require maintenance and the slurry seal on Ivy Hills Blvd was not money well spent.

Resident Randy Mysliviec, 3221 Ivy Hills Blvd.

Mr. Mysliviec spoke in opposition of any tax increase. Mr. Mysliviec reviewed the 5-year financial forecast and found revenues were up 20%, approximately 4.6% per year (about 50% greater than the CPI), spending was up 44%, approximately 9.5% per year (more than 3x CPI). Mr. Mysliviec suggested for council to plan and spread projects out. He recommended council go line by line in the budget; we must live within the budget with the existing revenue. Upon analyzing the budget and financial data for the village, Mr. Mysliviec said there is a lack of fiscal spending. His four-point plan is as follows:

- 1) Conduct an immediate review our current and projected budget and get spending back under control. Any business would inspect every single expenditure looking for ways to cut costs, get more efficient, and make some choices of things we are simply not going to do any more. With revenues declining, a declining expense budget would be more realistic. That's what most businesses would do, and are doing this year in a tough economic year. There are many improvements that can be made that will improve Newtown but cost little or nothing – Paul Roan had lots of good ideas in this regard and has already done some good research here. Communicate to the community what your budget review has found and communicate what budget cut choices you are making to the community. That will resonate well with everyone as most residents are cutting back due to rising fuel costs, job losses, etc.
- 2) Look at creative ways to increase revenues, or make improvements without tax increases or levies. During our meeting tonight we identified that some people are not paying income tax in Newtown simply because they did not know they had to. A low cost communication will produce new revenues and save people the expense of tax penalties. We should go after new donors, look at land sales, community events to raise money. Let's meet with Terrace Park, Indian Hill and Anderson to see if we can gain some negotiation ability with Cincinnati to find a better agreement on tax revenue sharing. Randy Smith referenced a similar idea as well when he talked about Jacksonville, Florida. I am sure a little brainstorming with our citizens and Council can come up with some good ideas.
- 3) Prioritize essential services e.g. police, fire, EMS, road maintenance and get clear on what we absolutely need to be able to operate and provide effective public safety. We do need to scrub those budgets as well to be sure they are lean as possible. What's left between the minimum required for essential services and our projected revenues is deemed 'investment dollars'. Another out of box idea – how about working toward a tax reduction at some point. My guess is developers would quickly latch onto the opportunity to build houses in a tax friendly community with a good school system. Now that would be real leadership and shake up our neighbors. Phil Smith discussed that he chose Newtown because it was not in a tax disadvantaged position, but also voiced his concern about the impact a tax increase would have for potential new residents who may view Newtown then as tax unfriendly.
- 4) Prioritize alternative investment projects, and communicate to the residents what the council feels the community will most benefit from. Be sure to maintain adequate reserves, and invest the rest. But when the money is gone, it's over for the year. And we wait till next year.

Forming a committee is not the democratic way to figure out solutions; people should have a vote, Mysliviec said.

Joe Motz, 2286 Elstun Road: Mr. Motz is a business owner in the Village of Newtown and a member of the Newtown Business Association. Mr. Motz spoke to the parking lot issue; the parking lot started with the last administration and continued with the current administration. Mr. Motz stated that the Newtown Business Association was unanimously in favor of the parking lot; everyone believed it would spur new business. Mr. Motz said he is neither in favor of or opposed to the tax issue. Mr. Motz thought it would be a good idea to maybe have a Farmer's Market or an Art Bizarre to bring people to the village and spur growth. As a business owner, he would be willing to assist and encouraged everyone to move forward.

Helen Caldwell: 7225 Baltic Court. Ms. Caldwell currently rents in the village and repealing the tax credit may force her to look elsewhere. Ms. Caldwell spoke to the village employee salary increases putting a burden on our small community. She said she would be happy to pay for her garbage service and recommended putting that out to competitive bidding.

Randy Seligmann: 3241 Ivy Hills Blvd. Mr. Seligmann said he read the council minutes from January 2008 to present. And spoke to Mr. Burns stating that he was aware of some residents that were against the parking lot. He also spoke to the July 8 council minutes where council approved an amount not to exceed \$1,500 to purchase a blue spruce tree for the parking lot. Mr. Seligmann also referred to February 12, 2008 council meeting where Ms. Hueber said, we also have to look at some things we haven't talked about before. The village owns property throughout the village that we are not using. There are things like that that we can sell. There are things we don't need; there are things around town that we are holding onto and we don't need it. If we really need to make some money to pay for improvements like this, but then also we have a budget and we have money hidden and budgeted back for property acquisition. Don't we?" Mr. Seligmann also made reference to February 12, 2008 council meeting where Chief Synan said, "Today, we talked to someone at the condos who knew they were supposed to pay taxes and didn't, on purpose. And R.I.T.A. just now got a hold of them after three years. There are people out there who aren't paying their 1%." Mr. Seligmann said there are people who are not aware of RITA and we must get the word out.

Randy Smith: Pinehurst Drive. Mr. Smith thanked the mayor and council and recognized the time it takes to run the village. He said the Village of Newtown is a great place to live, but is becoming a divided community. Mr. Smith encouraged the village to capture all revenue and work with the county to get more inside millage. He also spoke regarding road maintenance and suggested to have a long term plan and stick to that plan. This is not the time to raise taxes; find other ways rather than eliminating the tax credit, Smith said.

Philip Smith: Pinehurst Drive. Mr. Smith said he pays Newtown taxes and opposes repealing the tax credit. He spoke to attending the finance meeting last week and said there is definitely room to improve the process. And he asked if the tax increase is really needed and suggested to take a look at the discretionary versus nondiscretionary expenditures. Mr. Smith said the probability is that the voters will vote to take back the credit if it is repealed and thought it would be better to look at the problem now to balance revenue versus expenses.

Many other residents spoke at the meeting; the majority was against repealing the tax credit and urged council to put the issue to a vote of the people, not a vote of council. General references echoed by those who spoke were for council to prioritize projects within the budget and practice more fiscal responsibility.

If council moves forward with a third reading passing the ordinance repealing the income tax credit by non-emergency, the residents would then have 30 days to generate an initiative petition, which would be done by obtaining a required number of signatures to place the issue on the ballot. Solicitor Miller said the earliest a referendum can be placed on the ballot is in the next general election, November 2009.

Councilman Kobasuk: Mr. Kobasuk is opposed to repealing the tax credit. He said we have a good system of reciprocity. After reviewing the Southwestern Ohio Cities tax information, Mr. Kobasuk stated 70% give full tax credit. He said if Newtown repeals the tax credit home values will decline. Mr. Kobasuk said the people have the ultimate power in the village and urged the council to reconsider repealing the tax credit. He asked for more people to get involved and consider running for council in Fall of 2009.

Councilman Pulskamp: Mr. Pulskamp is in favor of repealing the tax credit to keep the current standard of services. He said in the 19 years serving on council, there have only been 3 issues this large. He spoke in favor of the parking lot to encourage the area to be rezoned for businesses to develop that area of town. In the last ten years, population has gone from 1,500 to 3,800; therefore, services have increased, Pulskamp said.

Mayor Cosby: Mayor Cosby will move forward with the budget committee and said this will be an opportunity for people to get involved and share ideas to a solution for the current budget concern. Mayor Cosby is very pro-business and said the village and HCDC are working hard to bring in new business and retain the businesses we have. Mayor Cosby feels the parking lot is an investment for the future and believes it will encourage development of Main Street in that particular area. He said the infrastructure is a large expense for the village and assured everyone that the village engineer is diligent in looking for grant monies to assist with the cost of road maintenance. The slurry seal project on Ivy Hills Blvd. and Pinehurst Drive will give those streets an additional seven to eight years before needing to be repaved.

Councilman Evans: Mr. Evans said this is a time for the community to come together to help find a solution to the problem. He said this is a big issue and council is willing to compromise and is here to work for the people. He assured everyone that no decision will be made to give the committee time to come up with various options. Mr. Evans said council does prioritize projects to improve the community. He asked for people to become involved to help make a difference and guaranteed everyone current services will stay the same.

Councilman Burns: Mr. Burns thanked the people for their support and stated that council does have everyone's best interest.